



Thinktank

June 2019

Thinktank Income Trust

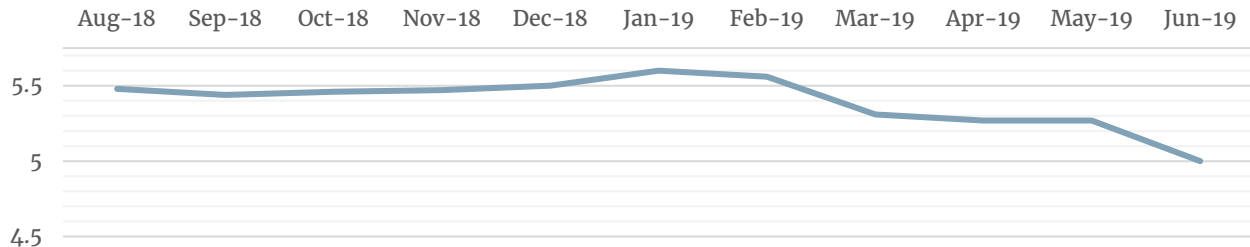
Monthly Performance Report



Thinktank Income Trust Monthly Performance Report

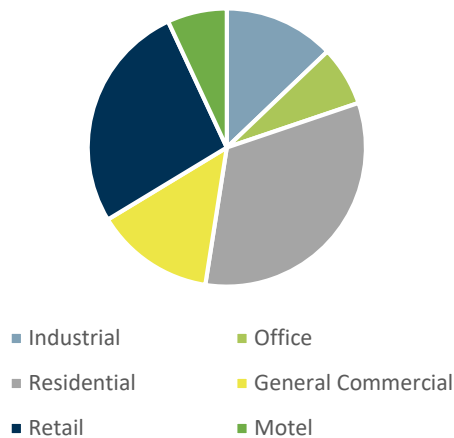
Return as at 30th June 2019

Annualised Return %

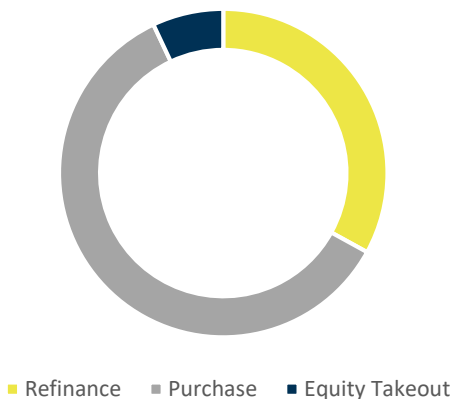


Thinktank Loan Book Metrics

Loan by Security Type*



Loan Purpose*



Investment Overview

Performance and Activity

In June the Income Trust once again saw an increase in the portfolio. Since inception in August 2017 the Income Trust has experienced zero losses and as at 30th June 2019 the Income Trust has no loans in arrears.

Investment strategy

Originate loans secured by registered first mortgages held over Australian commercial & residential real estate to generate monthly income returns.

Distributions

Paid on the 10th of each month or the following business day in arrears.

Minimum investment

\$10,000

Minimum term

12 months

Average loan-to-value ratio

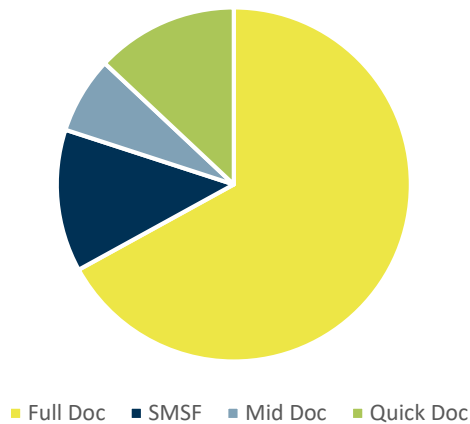
62% as at 30-Jun-2019

*Data as at 30th June 2019

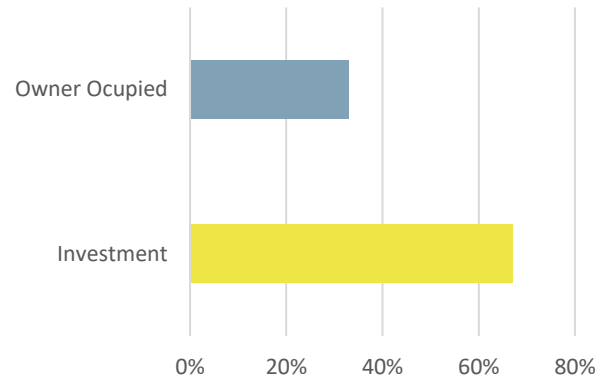


Thinktank Loan Book Metrics

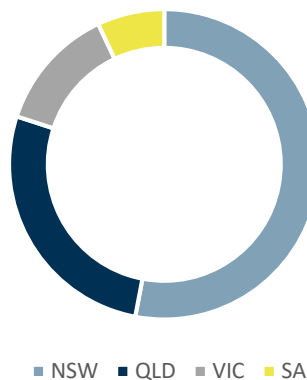
Loan by Verification Type*



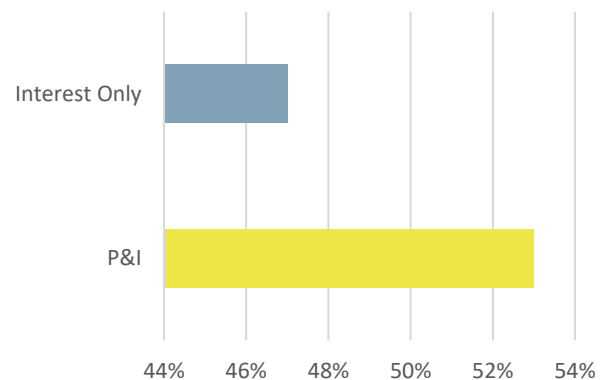
Loan by Occupancy*



Loans by State*



Repayment Type*



Market Ratings


	Sydney		Melbourne		Adelaide		Brisbane (SEQ)		Perth	
Resi-Houses	Fair	Stable	Fair	Stable	Fair	Improving	Fair	Stable	Weak	Stable
Resi-Units	Fair	Stable	Fair	Stable	Fair	Improving	Fair	Stable	Weak	Deteriorating
Office	Strong	Improving	Strong	Improving	Fair	Improving	Fair	Improving	Weak	Stable
Retail	Fair	Stable	Fair	Stable	Weak	Stable	Fair	Stable	Fair	Stable
Industrial	Strong	Improving	Strong	Improving	Weak	Stable	Fair	Improving	Weak	Stable

Disclaimer: This document is not intended to be read by anyone other than a Wholesale Client or Eligible Investor (as defined in Section 761G of the Corporations Act 2001) and should be read in conjunction with the Information Memorandum for Thinktank Group Pty Ltd dated 2nd May 2017. A copy of the Information Memorandum can be obtained by contacting Lauren Ryan on (02) 8669 5532 or at lryan@thinktank.net.au Thinktank Nominees Pty Ltd (AFSL No. 333 163).



Market Commentary


by **Per Amundsen, Head of Research**

A circular portrait of Per Amundsen, a middle-aged man with short grey hair, wearing a dark suit, white shirt, and a patterned tie.

At its July meeting the RBA Board following a clear bias for further easing expressed in late June cut the Cash Rate by 0.25% to a new record low of 1.00% and Governor Lowe re-affirmed the prospect of further easing if needed tied to employment. The US Fed made no change to rates at their June meeting but Chairman Powell's remarks appeared to signal the possibility of a cut by the end of the year. AUD/USD have remained just below \$0.70 with markets still pricing in further cuts to rates by both the RBA and the FOMC. There have been several changes in our ratings and trends this month. Melbourne and Sydney Residential have moved to Fair for houses and the trend has remained Stable. Units have stayed Fair in both cities and also moved to Stable trends. Industrial ratings in both cities have been upgraded to Strong making four markets rated as Strong and Improving with all in Sydney and Melbourne. The News and Views section of our Monthly Market Focus discusses the impact of the shift to a continuation of lower interest rates that we have experienced over the past few months and our Quarterly Update available from mid-July provides further detail on the economy and the property sectors we cover.

Market Commentary

by **Lauren Ryan, Investor Relations**

A circular portrait of Lauren Ryan, a young woman with long brown hair, smiling, wearing a dark top.

Over the last 11 months we have seen some volatility in the Bank Bill Swap Rate, mostly in a downward direction. In the last 6 months of 2018 the out of cycle change in the Bank Bill Swap Rate was somewhat influenced by the upward movement in US Federal Reserve monetary policy. From February 2019 however there was a lot of commentary from renowned economists & RBA watchers that official cash rate cuts were imminent. Some argued the Federal Election in May might halt any such rate cuts, nevertheless we saw the Bank Bill Swap Rate tracking consistently down in line with that expectation. In the last two months we have seen two consecutive rate 0.25% reductions leaving the cash rate at 1%, with the Bank Bill Swap Rate largely reflecting the RBA's move and directly impacting associated investment returns including those in our own funds. Investors continue to seek meaningful yield in this low interest rate market while maintaining a strong focus on capital preservation. Thinktank's Income Trust returned 5% p.a. in the month of June.

A downloadable copy of Thinktank's July Monthly Market Focus can be found at the link below:
<https://www.thinktank.net.au/news/>

For more information about Thinktank's Investment Trusts, please contact Lauren Ryan on
lryan@thinktank.net.au or (02) 8669 5532.